

House Members to Urge Obama to Get Tough With China During Upcoming Visit

Friday, January 14 2011

Bipartisan letter to be sent to President next week

WASHINGTON, DC – Today, Congressman Mike Michaud announced that he is working with Congressman Thaddeus McCotter (R-MI) to gather signatures on a bipartisan letter to President Obama urging him to convey to Chinese President Hu Jintao that China's consistent violations of international trade law will no longer be tolerated. President Hu is scheduled to meet with President Obama in Washington next week.

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WASHINGTON, DC – Today, Congressman Mike Michaud announced that he is working with Congressman Thaddeus McCotter (R-MI) to gather signatures on a bipartisan letter to President Obama urging him to convey to Chinese President Hu Jintao that China's consistent violations of international trade law will no longer be tolerated. President Hu is scheduled to meet with President Obama in Washington next week.

"China's disregard for its WTO membership directly hurts the U.S. economy and impedes our ability to recover from the economic downturn. After ten years in the WTO, it is time for China to start playing by the rules. My colleagues and I want President Obama to convey to President Hu that we will no longer turn a blind eye to their consistent violations of international trade law," said Michaud.

"The PRC must stop cheating to compete and start playing by the rules of international commerce," said McCotter.

The full text of the letter that Michaud and McCotter are circulating among their colleagues can be found below.

President Barack Obama

The White House

1600 Pennsylvania Ave.

Washington, D.C. 20500

Dear President Obama:

In your upcoming meetings with Chinese President Hu Jintao, we know that you will express concerns about China's persistent violation of international trade law. It is vital, however, to impress upon President Hu that America's patience is near an end and that we can no longer afford to tolerate China's disregard for the binding commitments they agreed to as part of their accession to the World Trade Organization in 2001. These standards are in place to ensure that countries do not illegally advantage their economies at the expense of others, and China's unwillingness to play by the rules is unfairly shuttering U.S. businesses and putting Americans out of work. Ten years is more than enough time for China to have implemented its WTO commitments.

Numerous economic policies in China violate their WTO commitments, and all of them harm U.S. businesses and employment. Its currency is manipulated by as much as 40 percent, and its low value helps China to maintain its status as the world's biggest exporter. Its paper sector benefits from illegal subsidies that have allowed the industry

– which lacks natural forest reserves and a competitive advantage – to become the world’s largest paper producer. China’s green energy companies also enjoy illicit subsidies, as well as interest-free, government loans, at the direct expense of U.S. competitors. Their limit on the exportation of rare earth materials puts U.S. high-tech companies at a severe disadvantage. And widely applied technology transfer requirements mean U.S. companies doing business in China often have to share their research and development in order to operate there, only to face competition down the road from Chinese companies using the very same U.S.-developed technology.

These, alongside a long list of other WTO violations, harm our workers by putting U.S. companies out of business and impeding our economic recovery efforts. We applaud your Administration’s effort to take enforcement action on some of these violations. But the problem with China cannot be solved by a piecemeal enforcement approach. It is no coincidence that our trade deficit with China has nearly tripled since they joined the WTO. Nor is it a coincidence that employment in our manufacturing sector has declined by more than 25% in the same period. Achieving the goal of your National Export Initiative of doubling U.S. exports is impossible without addressing China’s predatory, protectionist, and illegal policies that not only limit our access to their market, but also limit our opportunities in other markets around the globe.

The USTR report issued last month on China’s WTO compliance confirms that getting China to live up to its WTO commitments is one of the “critical challenges facing the United States.” We could not agree more. Ensuring that China abides by international trade laws is imperative for the vitality of our nation’s economy and for the viability of American businesses. We believe President Hu should hear this message in no uncertain terms.

Sincerely,

Michael H. Michaud	Thaddeus McCotter
Member of Congress	Member of Congress

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